



A No-Load Fund

Muhlenkamp Fund

Financial Statement
October 19, 1988

Muhlenkamp Fund
P.O. Box W
Wexford, PA 15090
(412) 935-5520

LETTER TO SHAREHOLDERS

THE WEXFORD TRUST
Statement of Assets and Liabilities
October 19, 1988

We are happy to announce the "birth" of a Mutual Fund. Muhlenkamp Fund is now effective and is available to the public. We would like to welcome you as investors in the Muhlenkamp Fund and will do our best to make the Fund successful.

From an investment perspective, prices currently are fair. The key here is interest rates. A strong economy or a weak dollar could push interest rates up and depress the prices of both bonds and stocks. Frankly, we don't expect it, but must monitor it nevertheless.

We see the economy gradually slowing and the dollar fairly stable. We see inflation at 4-5%. Short-term interest rates have already run up and appear to have stabilized. The election is now over and the voters have opted for a continuation on the recent path. Long-term interest rates have been stable at a level almost competitive with the average stock (and at rates which meet our criteria). So if interest rates don't come down, individual company earnings must do well for their stocks to do well. Company earnings have been superb, but gains are slowing.

While we expect continued crosscurrents due to individual reports on the strength or weakness of the economy, the trade figures and the dollar, as well as tax-related trading through year end, we believe now is a good time to research those companies that are doing well, set price targets which represent value, and invest our monies if those targets are hit. Should we not find enough companies and stocks meeting our criteria, we will purchase some bonds.

Respectfully submitted:

Ronald H. Muhlenkamp
President

November 18, 1988

ASSET	
Cash	\$100,000
LIABILITIES	—
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Net Assets For 10,000 shares of Beneficial Interest Outstanding	<u>\$100,000</u>
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE	
(\$100,000 ÷ 10,000 shares Of Beneficial Interest Outstanding)	<u>\$10</u>

THE WEXFORD TRUST
NOTES TO FINANCIAL STATEMENTS
OCTOBER 19, 1988

NOTE 1 - ORGANIZATION

The Wexford Trust was established as a Massachusetts business trust under a Declaration of Trust dated September 21, 1987 and has had no operations since that date other than those relating to organizational matters, including the issuance of 10,000 shares at \$10.00 per share of beneficial interest of the Muhlenkamp Fund. Muhlenkamp & Co., Inc., (the 'Advisor') a Pennsylvania Corporation, is advisor to the Trust. Expenses of organization will be borne by the Advisor. The Trust, at the discretion of the Board of Trustees, may authorize the division of shares into two or more series. As of the date of these financial statements, the Muhlenkamp Fund was the only fund of the Wexford Trust series registered and in existence.

Reference is made to "Investment Advisor" and "Tax Information" in this Prospectus for a description of the Investment Advisory Contract and the Federal tax aspects.

The Muhlenkamp Fund, a series of The Wexford Trust, is a diversified open-end mutual fund that will continuously offer its shares to the public subject to final approval from the Securities and Exchange Commission. The Fund has agreed to pay the Advisor, at an annual rate of 1% of the average daily net assets value of the Trust.



To the Shareholders and Board of
Trustees of The Wexford Trust

We have examined the statement of assets and liabilities of The Wexford Trust (a Massachusetts business trust) as of October 19, 1988. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statement of assets and liabilities referred to above presents fairly the financial position of The Wexford Trust as of October 19, 1988, in conformity with generally accepted accounting principles.

Schneider Downs & Co., Inc.

Pittsburgh, Pennsylvania
October 31, 1988